



The Balkan connection

Asseco South Eastern Europe is an IT company primarily operating in South East Europe and in Turkey. Its key segment comprises payment solutions. ASEE also deals in banking services and system integration. The group acquired a majority stake in Necomplus in 2019; Necomplus is a payment industry company operating in Spain, Portugal and Latin America. We are expecting the revenue to increase quickest in the payment segment going forward, primarily because of the growth in payment terminal services, e-commerce and payment processing. We expect ASEE to continue its acquisition strategy in the medium term but, thanks to its strong balance sheet (net cash) and solid FCF, it will continue to pay out dividends (dividend yield is assumed at 3-5%). We are initiating the coverage of ASEE with a BUY recommendation and a TP of PLN 20.5 per share.

Strong competences in the payment segment

Asseco South Eastern Europe specialises in payment processing; the company deals with payment terminal and ATM services, e-commerce and payment transaction processing. The company began spinning off the payment segment to a separate entity Payten in 2017, which may soon be floated on the stock exchange. ASEE enjoys a significant share in its markets, especially former Yugoslavian countries. In our opinion, e-commerce solutions, payment terminal services and transaction processing are ASEE's most promising business lines. Meanwhile, we expect the company to generate low single-digit growth in the ATM service segment in the long term.

A very good 2019 and a significant mid-term improvement in results

We expect the company to generate very good results in 2019, primarily in the payment segment. Our assumptions are backed by a very strong backlog which, excluding acquisitions, provides for an increase by +11% in revenue and +12% in gross margin for the whole group in 2019. In the payment segment, on the other hand, the 2019 backlog implies an increase of +13% in revenue and +22% in gross margin. E-commerce, payment transaction processing, the newly established independent ATM network, and omnichannel banking solutions are the main source of this growth.

Growth + a solid balance sheet and FCF

The company intends to keep growing dynamically, especially in the payment segment. In a recent interview, the company's CEO stated that an increase in operating profit of 50% in three years is realistic, taking into consideration both organic growth and acquisitions (we estimate that excluding acquisitions, operating profit will grow by approx. 35% in three years). Given the amount of net cash (approx. PLN 30m at the end of 1Q19) and strong FCF, the company should be able to consolidate the market while continuing the payment of dividends (we estimate the dividend yield at 3-5%).

PLN mn	2017	2018	2019F	2020F	2021F
Revenues	571	670	795	846	880
EBITDA	106	120	149	154	163
EBIT	66	74	89	93	101
Net profit	55	65	74	77	84
P/E	11.2	9.5	11.8	11.3	10.4
P/BV	0.9	0.8	1.1	1.0	1.0
EV/EBITDA	5.7	4.0	5.3	4.9	4.4
EPS	1.06	1.26	1.42	1.48	1.61
DPS	0.52	0.52	0.54	0.74	0.80
FCF	-	-	69	73	82
CAPEX	-69	-40	-45	-45	-46

F - forecast by PKO BP Securities

Key data	
Market price (PLN)	16.80
Upside	22%
No. of shares (mn)	51.89
Market Cap (PLNm)	871.82
Free float	49%
Free float (PLNm)	426
Free float (USDmn)	112
EV (PLNm)	793.02
Net debt (PLNm)	-78.80

Dividend	
Div yield	3.1%
Ex-div	-

Major Shareholders	% of shares
Asseco International	51.10
Aviva OFE	18.20
Aviva TFI	5.00
ASEE managers	4.30

Previous recomm.	Date & target price
------------------	---------------------

Price performance



	WIG20	Company
1 month	-0.2%	1.2%
3 months	-1.9%	16.7%
6 months	-2.4%	33.3%
12 months	8.0%	42.4%
Min 52 weeks PLN		10.70
Max 52 weeks PLN		17.40
Av. turnover/day PLN mn		0.13

Analyst	
Małgorzata Żelazko, CFA	
+48 22 521 52 04	
malgorzata.zelazko@pkobp.pl	

Address:	
PKO BP Securities	
ul. Puławska 15	
02-515 Warszawa	

Risk factors

- Macroeconomic and political situation in the region
- Decline in IT investments in the financial sector
- Increased competition
- Pressure on wages in the IT expert market
- Increase in the share of cashless payments and a decline in demand for ATMs
- F/X risk

Valuation

Our valuation is based on the DCF model. The DCF model consists of two phases. In the first stage (2019F-2023F), we have forecast all the key parameters that influence the company's value. In the second stage, we have assumed a 2% growth rate.

We have applied a WACC-based discount rate. The risk-free rate for PLN has been assumed at 3.2%, which reflects the yield level of 10-year Treasury bonds. Beta has been assumed at 1x, taking into account the company's strong equity structure. Equity risk premium has been assumed at 8% due to a relatively higher risk of the countries where the company operates (primarily SEE and Turkey). We have discounted all free cash flows as at 31 December 2019 and added net cash.

DCF model						
PLN mn	2019	2020F	2021F	2022F	2023F	2023F<
EBIT	88.6	93.2	100.7	106.0	110.5	111.8
Tax rate	18%	18%	18%	18%	18%	18%
NOPLAT	72.7	76.4	82.6	86.9	90.6	91.7
CAPEX	-44.7	-45.3	-45.8	-46.4	-47.0	-50.0
Depreciation (excl. Right-of-use)	46.9	47.9	48.8	48.4	48.1	50.0
Changes in working capital	-5.6	-6.1	-3.9	-4.1	-3.9	-1.2
FCFF	69.3	73.0	81.7	84.8	87.9	90.6
WACC	11.0%	11.0%	11.1%	11.1%	11.2%	11.2%
Discount ratio	0.00	0.90	0.81	0.73	0.66	0.59
DFCF		65.8	66.3	61.9	57.7	
Growth in Phase II	2.0%					
DFCF Sum - Phase I	251.7					
DFCF Sum - Phase II	647.0					
Enterprise Value (EV)	898.6					
Net debt (excl. Leases)	-125.2					
Minority share	17.9					
Fair value	1,006.0					
Number of shares (million)	51.9					
Fair value per share as at 31.12.2019	19.4					
Target price in 12 mths (PLN)	20.5					
Current price	16.80					
Expected rate of return	22.3%					

Source: forecasts of PKO BP Securities

Peers

ASEE is traded with 40-60% discount to peers, from both software and payment sectors. In our opinion, some discount is justified due to higher level of risk in countries (mainly the Balkans). Nevertheless, we believe that over 40% discount is too high and we see ASEE's valuation as attractive.

Peers: multiples

Company		Dividend yield			P/E			EV/EBITDA		
		2019F	2020F	2021F	2019F	2020F	2021F	2019F	2020F	2021F
Software:										
Asseco Poland	Poland	5.5%	5.5%	5.5%	15.6	14.7	14.5	8.8	8.4	7.9
Comarch	Poland	0.8%	2.6%	3.7%	14.8	12.1	11.4	6.3	5.9	5.6
Asseco Business Solutions	Poland	6.2%	7.4%	7.8%	14.4	13.4	12.8	9.3	8.7	8.4
Microsoft	USA	1.3%	1.4%	1.6%	30.0	27.0	23.5	18.9	16.8	14.7
SAP	Germany	1.3%	1.5%	1.6%	24.7	22.1	19.8	18.9	16.1	14.3
Oracle	USA	1.4%	1.5%	1.6%	17.2	15.2	14.2	11.8	11.1	10.7
Capgemini	France	1.6%	0.0%	0.0%	17.6	16.0	14.7	9.9	9.3	8.8
Adobe Systems	USA	0.0%	0.0%	0.0%	39.3	31.5	26.5	29.9	24.7	21.3
Atos	France	2.0%	2.2%	2.5%	9.4	8.8	8.2	8.7	8.3	8.2
Guidewire Software	USA	0.0%	0.0%	0.0%	72.3	76.1	61.0	55.9	51.8	31.2
Infosys	India	3.1%	3.1%	3.5%	21.5	20.5	18.4	15.4	14.6	13.2
PTC	USA	0.0%	0.0%	0.0%	50.8	34.9	23.4	32.5	23.8	18.1
Constellation Software	Canada	1.5%	0.4%	0.4%	32.0	26.1	22.6	21.9	18.3	16.2
Sage Group	UK	2.1%	2.2%	2.2%	27.0	25.1	23.1	18.3	17.2	15.8
Intuit	USA	0.7%	0.7%	0.7%	42.1	37.3	33.1	28.2	25.0	22.8
Reply	Italy	0.8%	0.8%	0.9%	21.3			12.5		
Sopra Steria Group	France	2.3%	2.9%	3.4%	10.8	8.8	7.8	6.4	5.7	5.3
NNIT	Denmark	3.4%	3.5%	3.7%	13.0	12.8	12.0	6.4	6.3	6.2
Softcat	UK	2.3%	2.4%	2.6%	28.9	27.2	25.5	22.6	21.3	20.1
MEDIAN (software)		1.5%	1.9%	2.2%	21.5	20.5	18.4	15.4	14.6	13.2
Payment:										
Euronet Worldwide	USA	0.0%	0.0%	0.0%	23.7	20.3	18.1	13.8	11.9	10.5
Firstdata	USA	0.0%	0.0%		17.8	15.5	13.5	12.7	11.9	11.1
Worldpay	UK	0.0%	0.0%		28.0	24.1	21.2	22.6	20.0	18.0
Ingenico	France	1.7%	1.9%	2.1%	16.7	15.0	13.6	11.2	10.4	9.5
Wirecard	Germany	0.2%	0.2%	0.3%	34.4	25.7	17.2	21.1	16.0	11.4
MEDIAN (payment)		0.0%	0.0%	0.3%	23.7	20.3	17.2	13.8	11.9	11.1
Asseco South Eastern Europe		3.3%	4.6%	4.9%	11.9	11.4	10.5	5.5	4.9	4.4
<i>discount to software companies</i>					45%	45%	43%	65%	67%	67%
<i>discount to payment companies</i>					50%	44%	39%	60%	59%	60%

Source: Bloomberg, PKO BP Securities



Financial Forecasts

Profit and loss account	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Sales of products, goods and materials	501	487	571	571	670	795	846	880	916
Costs of sold products, goods and materials	-383	-362	-434	-427	-509	-606	-640	-665	-691
Gross profit on sales	118	125	136	144	161	189	206	215	225
EBITDA	69	83	94	106	120	149	154	163	168
Selling costs	-36	-37	-38	-35	-47	-56	-59	-62	-64
General administrative expenses	-35	-36	-42	-43	-39	-48	-51	-53	-55
Other operating income	2	3	2	1	2	0	0	0	0
Other operating costs	-2	-2	-1	-2	-2	0	0	0	0
Operating profit	46	53	57	66	74	89	93	101	106
Share in profit of associates	0	0	0	0	0	0	0	0	0
Pre-tax profit	46	54	61	67	78	90	94	102	108
Income tax	-7	-10	-9	-12	-13	-16	-17	-18	-19
Net profit (loss) attributable to non-controlling interest	0	0	0	0	0	1	1	1	1
Net Profit (loss)	39	44	52	55	65	74	77	84	88
Balance Sheet	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Fixed assets	613	614	643	631	628	714	711	708	706
Intangible assets	536	522	536	493	492	522	520	518	517
Tangible assets	70	86	102	132	129	185	185	183	183
Investments	0	0	0	0	1	1	1	1	1
Other long-term assets	7	5	5	5	6	6	6	6	6
Current assets	235	235	304	288	362	372	420	460	515
Inventories	16	16	23	25	17	20	21	22	23
Receivables	115	104	143	136	161	182	192	200	207
Cash and cash equivalents	92	104	123	117	169	154	191	223	270
Other short-term assets	12	12	14	10	15	15	15	15	15
Total Assets	848	849	946	918	990	1,086	1,131	1,169	1,222
Equity capital	679	688	732	719	765	811	860	905	951
Non-controlling interests	0	0	2	2	2	2	2	2	2
Liabilities	169	161	214	199	224	274	271	264	271
Long-term liabilities	27	29	29	29	22	40	34	26	27
Loans and borrowings	22	27	25	24	18	26	25	23	23
Other provisions	5	3	5	6	4	14	9	4	4
Short-term liabilities	143	131	185	170	202	235	238	238	244
Loans and borrowings	24	21	24	24	32	45	43	39	41
Other provisions	38	45	62	32	36	36	36	36	36
Trade liabilities and other	80	65	95	82	102	120	126	130	134
Total Liabilities	848	849	946	918	990	1,086	1,131	1,169	1,222
Cash flow statement	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
Cash flow on operating activity	73	75	88	94	121	128	132	141	145
Cash flow on investment activity	-59	-42	-38	-65	-43	-77	-50	-51	-46
Cash flow on financial activity	15	-20	-30	-24	-28	-65	-45	-57	-52
Indicators (%)	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F
ROE	-	6.4%	7.3%	7.6%	8.8%	9.3%	9.2%	9.5%	9.5%
Net Debt	-42.7	-53.0	-71.0	-68.2	-114.9	-78.8	-119.2	-158.1	-202.1

Source: forecasts of PKO BP Securities

CONTACTS

Equity Research

Emil Łobodziński	(Investment Advisor)	(+4822) 521 89 13	emil.lobodzinski@pkobp.pl
Paweł Małmyga	(technical analysis)	(+4822) 521 65 73	pawel.malmyga@pkobp.pl
Przemysław Smoliński	(technical analysis)	(+4822) 521 79 10	przemyslaw.smolinski2@pkobp.pl
Małgorzata Żelazko	(IT, TMT)	(+4822) 521 52 04	malgorzata.zelazko@pkobp.pl

Strategic Individual Clients Department

Paweł Kodym	(director)	(+4822) 521 80 14	pawel.kodym@pkobp.pl
Michał Petruczeńko		(+4822) 521 79 69	michal.petruczenko@pkobp.pl
Ewa Kalinowska		(+4822) 521 79 88	ewa.kalinowska.2@pkobp.pl
Grzegorz Klepacki		(+4822) 521 78 76	grzegorz.klepacki@pkobp.pl
Joanna Makowska		(+4822) 342 99 34	joanna.makowska@pkobp.pl
Jacek Gaszewski		(+4822) 342 99 28	jacek.gaszewski@pkobp.pl
Ewald Wyszymirski		(+4822) 521 78 39	ewald.wyszymirski@pkobp.pl
Przemysław Lasota		(+4822) 580 33 14	przemyslaw.lasota@pkobp.pl
Tomasz Zabrocki		(+4822) 521 82 13	tomasz.zabrocki@pkobp.pl

INFORMATION AND RESERVATIONS

REGARDING THE NATURE OF RECOMMENDATION AND LIABILITY FOR ITS DRAFTING, CONTENTS AND DISTRIBUTION

This recommendation (hereinafter: "Recommendation") has been drafted by PKO BP Securities (hereinafter "PKO BP Securities"), the recommending entity (hereinafter: "Recommending Entity"), acting in conformity with the Polish Act on Trading in Financial Instruments of 29 July 2005 and the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest, solely for the purposes of the customers of PKO BP Securities and is subject to confidentiality within seven calendar days of its distribution date.

This recommendation was drafted against remuneration at the individual request of The Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.). The Warsaw Stock Exchange holds proprietary copyright to this recommendation.

Whenever this Recommendation mentions an "Issuer", it will be understood as a company to which the Recommendation pertains directly or indirectly. If the Recommendation pertains to more than one company, the term "Issuer" will apply to all these companies.

The perspective expressed in the Recommendation reflects the opinion of the Analyst(s) of PKO BP Securities regarding the analysed company and the financial instruments issued by it. Opinions contained in this Recommendation should not be treated as authorised or approved by the Issuer.

The Recommendation has been prepared subject to due diligence and reliability, based on facts and information generally considered credible (including, in particular, financial statements and current reports of the company); nevertheless, PKO BP Securities does not guarantee their absolute precision or completeness. The basis for preparing the Recommendation comprises information on the company which was publicly available by the day of its drafting. The forecasts presented are based solely on the analysis conducted by PKO BP Securities and on a number of assumptions which may prove incorrect in the future. PKO BP Securities does not grant any assurance that the forecast presented will be proved right. PKO BP Securities is not liable for any losses incurred as a result of decisions made on the basis of information contained in this Recommendation. PKO Securities as a professional entity does not evade liability for an imprecise or incomplete product or for the losses incurred by the Customer as a result of investment decisions taken on the basis of an unreliable Recommendation. PKO Securities will bear no liability if the Recommendation has been prepared with due diligence and thoroughness. PKO Securities will not be held liable for any potential defects of the recommendation, in particular for its incompleteness or imprecision, if said defects could not be avoided or foreseen at the moment of undertaking standard actions in drafting the Recommendation. In the future, PKO BP Securities may issue other recommendations, presenting other conclusions which are consistent with those contained in this Recommendation. Such recommendations reflect various assumptions, points of view and analytical methods adopted by the analysts preparing them. PKO BP Securities hereby announces that the accuracy of earlier recommendations is no guarantee of their accuracy in the future.

PKO BP Securities hereby announces that investing money in financial instruments is connected with the risk of losing a part of or all the invested funds. PKO BP Securities notes that the price of financial instruments is influenced by many different factors which are or may be independent from the Issuer or the results of the Issuer's operations. These can include, among other things, changing economic, legal, political and fiscal conditions. A decision on purchasing any financial instruments should be made solely on the basis of the prospectus, offer or other generally available documents and materials published in accordance with the binding provisions of Polish law.

This Recommendation does not constitute an offer or an invitation to subscribe for or purchase or conclude transactions on financial instruments and is not aimed at encouraging its addressees to purchase or sell any financial instruments.

With the exception of the remuneration paid by PKO BP Securities, Analysts do not receive any other consideration from the Issuer or other third parties for drafting recommendations. Analysts drafting recommendations are remunerated on a variable basis, indirectly depending on the financial results of PKO BP Securities that may be contingent, among other things, on the results generated by PKO BP Securities with respect to brokering services offered.

PKO BP Securities hereby announces that it renders brokering services in the scope of drafting investment analyses, financial analyses and other recommendations of a general nature under a permit of the Polish Financial Supervision Authority dated 7 October 2010. At the same time, PKO BP Securities hereby announces that brokering services are rendered to customers in accordance with the binding "Rules and regulations for rendering the service of drafting investment analyses, financial analyses and publications regarding financial instruments by PKO BP Securities" (here) as well as on the basis of a written agreement on rendering the service of drafting investment analyses, financial analyses and publications regarding financial instruments by PKO BP Securities. The entity exercising supervision over PKO BP Securities within the scope of its brokering operations is the Polish Financial Supervision Authority.

Explanation of the specialist terminology used

min (max) 52 weeks: minimum (maximum) of the market share price during the previous 52 weeks

Capitalisation: product of the share market price and the number of shares

EV: sum of the company's capitalisation and net debt

free float (%): share of the total number of shares decreased by 5% stakes held by one shareholder and own shares held by the company in the total number of shares

Average trading/month: average trading per month calculated as total trading value over previous 12 months divided by 12

ROE: rate of return on equity

ROA: rate of return on assets

EBIT: operating profit

EBITDA: operating profit + depreciation and amortization

EPS: earnings per share
DPS: dividend per 1 share
CEPS: sum of net profit and depreciation and amortization per 1 share
P/E: quotient of share market price and EPS
P/BV: quotient of share market price and book value of one share
EV/EBITDA: quotient of capitalisation increased by the company's net debt and EBITDA
Gross sales margin: relation of gross sales profit to net sales proceeds
EBITDA margin: relation of the sum of operating profit and depreciation to net sales proceeds
EBIT margin: relation of operating profit to net sales proceeds
Net profitability: relation of net profit to net sales proceeds

Valuation methods applied

A PKO BP Securities recommendation is based on at least two out of four valuation methods: DCF (discounted cash flow model), ratio analysis method (comparing the values of basic market ratios with similar ratios of other companies representing a given sector), sum of the parts of assets method (SOTP) and discounted dividends model. A disadvantage of the DCF and the discounted dividends model is their high sensitivity to adopted assumptions, including, in particular, those pertaining to determining the residual value. Furthermore, the discounted dividends model cannot be applied to the valuation of companies without a determined dividend policy. The advantages of both these methods include their independence from current market valuations of peer companies. On the other hand, the advantage of the ratio analysis is the fact that it is based on a measurable market valuation of a given sector. Its disadvantage lies in the risk that at any given time, the market might not value peer companies correctly. The sum of the parts method (SOTP) consists in summing up the values of various assets of the company, calculated using one of the above methods.

Recommendations applied by PKO BP Securities

A BUY recommendation means that the recommendation author thinks that company shares have the potential for at least a 10% price growth.

A HOLD recommendation means that the recommendation author thinks that company shares have the potential for growth between 0 and a 10%.

A SELL recommendation means that the recommendation author thinks that company shares have the potential for a price decline.

A recommendation may be assigned an "UNDER REVIEW" rating, which means that the recommendation ceases to be binding for an unexpected reason and that PKO BP Securities is conducting investment research aimed at its update. Said investment research will result in issuing a new recommendation.

A recommendation may be assigned a "SUSPENDED" rating, which means that PKO BP Securities stopped conducting investment research. After investment research is recommenced, the latest issued Recommendation will become binding.

Recommendations issued by PKO BP Securities are binding for a period of 12 months from their issue, unless they are updated in the meantime. PKO BP Securities updates issue recommendations depending on the market situation and the analysts' subjective opinion. The frequency of such updates is not specified.

Connections which could influence the objectivity of recommendations

Entities associated with PKO BP Securities may, insofar as is legally permissible, participate or invest in financial transactions in relations with the Issuer, render services to or assist in rendering services to the Issuer or have the option to or conclude transactions on financial instruments issued by the Issuer ("financial instruments"). PKO BP Securities may, insofar as permissible under Polish law, conclude transactions on financial instruments before this instrument is presented to recipients.

PKO BP Securities has the following connections with the Issuer:

Issuer:	Reservation
Asseco SEE	-

Explanations:

- During the previous 12 months, PKO BP Securities was party to agreements on offering financial instruments issued by the Issuer or connected with assessing financial instruments issued by the Issuer. During the previous 12 months, PKO BP Securities was a member of a consortium offering financial instruments issued by the Issuer.
- PKO BP Securities purchases and sells financial instruments issued by the Issuer in its own name, in order to perform service or investment underwriting agreements.
- PKO BP Securities has the role of market animator for the Issuer's financial instruments under the terms stipulated in the Regulations of the Warsaw Stock Exchange.
- PKO BP Securities has the role of the Issuer's animator for the Issuer's financial instruments under the terms stipulated in the Regulations of the Warsaw Stock Exchange.
- PKO BP Securities and PKO Bank Polski, whose organisational unit is PKO BP Securities, are parties to an agreement on drafting recommendations with the Issuer.
- PKO BP Securities and PKO Bank Polski, whose organisational unit is PKO BP Securities, hold shares of the Issuer, which are the object of this recommendation, in a total number constituting at least 5% of share capital.

It is possible that PKO BP Securities or PKO Bank Polski or persons involved in drafting a report have a long or short position on the Issuer's shares or other instruments whose value is connected with the value of the financial instruments issued by the Issuer in an amount not lower than 0.5% of the Issuer's share capital.

Excluding the above, no other contractual relations exist between the Issuer and DM PKO BP that could influence the objectivity of this Recommendation.

Disclosures

The recommendation has not been disclosed to the Issuer.

Other disclosures

No person involved in preparing the report or any of their next of kin hold any functions on the governing bodies of the Issuer or a managerial position in the Issuer's organisation and no such person or their next of kin are party to any agreement with the Issuer concluded under the terms different from other agreements concluded between the Issuer and consumers. There are no people holding shares in the Issuer or financial instruments whose value is connected in any significant manner with the value of financial instruments issued by the Issuer among persons involved in drafting the recommendation or persons who were not involved in drafting it, but who had or could have access to it.

PKO Bank Polski, its subsidiaries, representatives or employees may occasionally conclude transactions or be interested in purchasing financial instruments of companies which are indirectly or directly connected with the analysed company.

PKO BP Securities is bound by internal regulations managing conflicts of interests; in particular, these regulations determine internal organisational solutions and limitations regarding information flow to prevent uncontrolled information flow between respective organisational entities or PKO BP Securities' employees in order to prevent and avoid conflicts of interests regarding recommendations; in particular, the Chinese wall procedure has been implemented. The internal organisational structure of PKO BP Securities ensures that respective kinds of brokering operations are executed separately.

This Recommendation has been drafted subject to due diligence to the best knowledge of the Recommending Entity; there exist no other connections between PKO BP Securities and the analyst drafting this Recommendation on one part and the Issuer on the other.

The time and date stipulated on the front page of the report are the time and date of completing the process of drafting the Recommendation.

The time and date of the first distribution of the Recommendation are identical with the time and date of delivering this Recommendation in electronic form to customers.



Whenever this Recommendation quotes a price for the financial instrument, it will be understood as the closing price from the last trading day.

The list below sets out all the recommendations drafted by PKO BP Securities in the last 12 months, within the scope of the "Analytic Coverage Support Pilot Programme".

Company	Recommendation	Date of reco.	Target price	Relevant Market Price*	Market cap. (PLN mn)	P/E			EV/EBITDA			Analyst
						2018	2019F	2020F	2018	2019F	2020F	
Asseco SEE	Buy	19-07-19	20.50	16.8	877.01	9.5	11.9	11.4	4.0	5.4	4.9	Małgorzata Żelazko

*at the time of publication